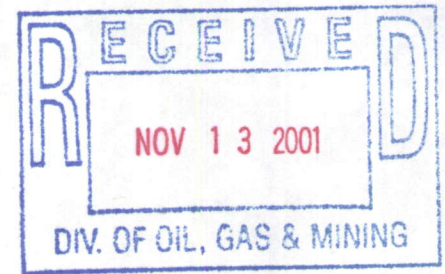


m/29/001



12 November 2001

Mr. D. Wayne Hedburg
Permit Supervisor
Minerals Regulatory Program
Department of Natural Resources
Utah Division of Gas, Oil and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City UT 14114-5801



Re: Conditional Tentative Approval of Large Mine Plan Permit Revision, Holnam, Inc., Devil's Slide Quarry, M/029/001, Morgan County, Utah

Dear Mr. Hedburg:

After receiving your correspondence dated 02 October 2001, we conducted extensive studies in conjunction with M.R. Wilde and Sons (the surface landowner) to determine if our plan revision impacts any BLM land. The nearest point of our mining permit application to the BLM's boundary of the NW 1/4 of the NE 1/4 Section of Section 24 is 420 feet. The nearest point of our overburden dumpsite permit application is 525 feet to BLM's boundary of the NW 1/4 of the NE 1/4 Section of Section 24. With a canyon 775 feet deep and 525 feet wide between the said dump site and BLM's boundary, it would be impossible for any overburden dumping to ever reach BLM property. We therefore feel that BLM is not going to be impacted by the revision of the plan. Attached with the hard copy of this document will be map #DCC-1597 with the BLM area clearly marked against the proposed disturbed area.

In response to the minor technical concerns in our latest deficiency response, we have prepared the following response:

R647-4-105 – Maps, Drawings & Photographs

105.3 Drawings or Cross Sections (Slopes, roads, pads, etc.)

The plan failed to provide a cross section of the 800-foot long culvert, which will be placed in the drainage instead of the 40-inch rip rap channel. A typical cross-section of the proposed culvert installation will be required. Design information related to the culvert is also lacking. Please provide culvert dimension, energy dissipater dimensions, and other appropriate construction details. (TM)

Holnam has decided to not install an 800 foot long culvert in the aforementioned application, in fact, the consultant added that feature to the permit revision without approval of Holnam and it was missed during our review. We intend to install the 40-inch riprap channel instead of the 800-foot long culvert. Attached as an example of the construction of the riprap channel are several photographs (Appendix A) on the existing permitted area where these channels have been constructed using the "French Drain" BMP. These practices have proven to be very successful in other stripping dump and runoff areas on the main mine site and have been implemented on slopes equally as steep as ditch segment 2 (DA-1S (sloped fill), Map R647-4-111.2b).

The plan fails to provide any cross sections or engineering design parameters for the Lower and West desilting basins other than size and location. Please provide the embankment height, spillway dimensions, and other construction details.

The desilting basins will be constructed of existing, well draining gravelly loam. The embankment height will be four to six feet in height and it is anticipated that drainage and desilting will take place without spillways (through evaporation as existing basins do). Holnam plans and commits to monitor the desilting basins regularly for breaches and sediment deposits and keep them in adequate condition to handle ephemeral runoff expected to occur.

R647-4-111 – Reclamation Practices

111.2 Reclamation of Natural Channels

The plan fails to mention the outcome of the culvert and desilting ponds at the end of mine life. How will these structures be reclaimed? If they are not going to be reclaimed, a variance must be requested with supporting justification under R647-4-112.

The culvert will not be installed and the desilting ponds are addressed in section 111.9.

111.9 Dams & impoundments left self draining & stable

The desilting structures must be reclaimed to a self-draining and mechanically stable condition unless shown to have sound hydrologic design and to be beneficial to the post mining land use. (TM)

The surface owner (M.R. Wilde and Sons) can see no positive effect in leaving the basins intact after the dump is complete. Part of the reclamation will involve breaching the basins; returning the slopes to conditions prior to construction of the basins and re-seeding the area with approved seed mixture.

Thank you in advance for your consideration in this permit revision application. We at Holnam have appreciated your help in getting this project underway. If there are any further issues that we need to address or anything we can do to help expedite this application, please call (801 829 2153).

Sincerely,

Ken George
Quarry Coordinator, Holnam Devil's Slide Plant

Appendix A



Photo #1: Riprap channel east side Quarry #1

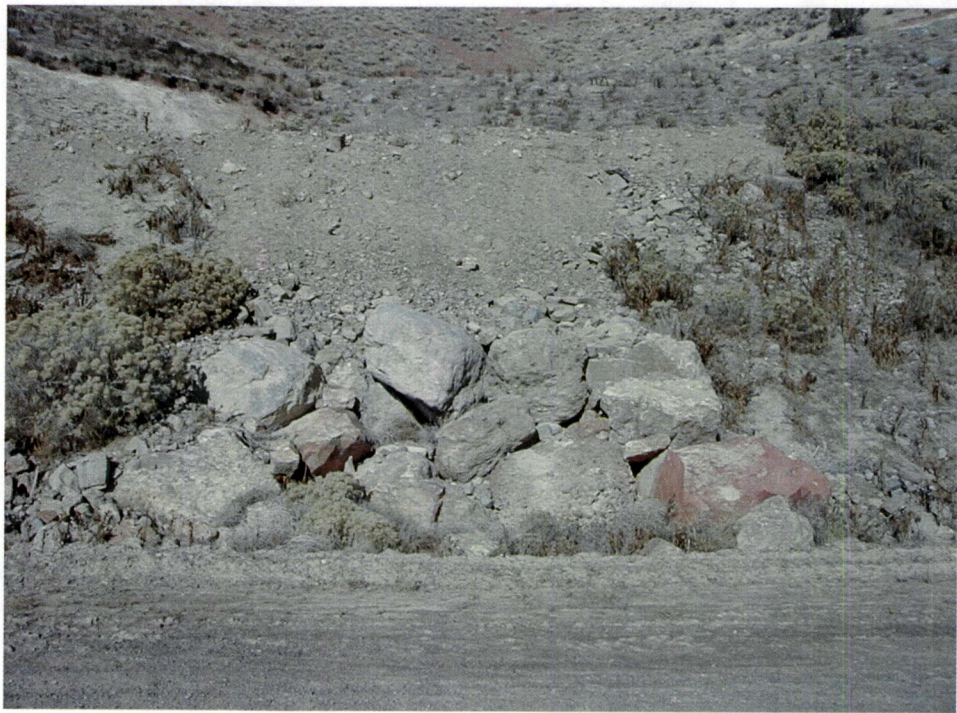


Photo #2: French Drain Boneyard Hollow.



Photo #3: French Drain Quarry #3 Lower Haul Road



Photo #4: French Drain Crusher Dump Apron